

EXHIBIT 1

INTRODUCTION

Respondent Robert Egan is, and was at all times relevant to this matter, Chairman of the Board of Commissioners for the Saratoga Fire Protection District (“Fire District”). Respondent has been a Commissioner for the Fire District for 26 years. Respondent is also a real estate broker and owner of Egan and Company, located in the City of Saratoga.

In 2000, during the first semi-annual reporting period of January 1, 2000 through June 30, 2000, Respondent made \$27,801.00 in political contributions to support Proposition F, a bond measure on the April 11, 2000 ballot in the City of Saratoga, and thereby qualified as a “major donor committee” under the Political Reform Act (the “Act”).¹ As such, Respondent was required to comply with specified campaign reporting provisions of the Act.

As a major donor committee, Respondent was required to file a semi-annual campaign statement, commonly known as a “major donor statement” by July 31, 2000, disclosing his contributions during the period January 1, 2000 through June 30, 2000. Respondent failed to file a major donor campaign statement for the reporting period of January 1, 2000 through June 30, 2000 by the July 31, 2000 due date, disclosing \$27,801.00 in contributions, thus committing a violation of the Act.

For the purposes of this stipulation, Respondent’s violation of the Act is stated as follows:

COUNT 1: Respondent Robert Egan failed to file a semi-annual campaign statement, by the July 31, 2000 due date, for the reporting period January 1, 2000 through June 30, 2000, in violation of section 84200, subdivision (b) of the Government Code.

SUMMARY OF THE LAW

An express purpose of the Act, as set forth in section 81002, subdivision (a), is to ensure that the contributions and expenditures affecting election campaigns are fully and truthfully disclosed to the public, so that voters may be better informed, and improper practices may be inhibited. To that end, the Act sets forth a comprehensive campaign reporting system designed to accomplish this purpose of disclosure.

Section 82013, subdivision (c) includes within the definition of “committee” any person or combination of persons who makes contributions totaling ten thousand dollars (\$10,000) or more in a calendar year to or at the behest of candidates or committees. This type of committee

¹ The Political Reform Act is contained in Government Code sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in sections 18109 through 18997 of title 2 of the California Code of Regulations. All regulatory references are to title 2, division 6 of the California Code of Regulations, unless otherwise indicated.

is commonly referred to as a “major donor committee.”

Section 84200, subdivision (b) requires a major donor committee to file a semi-annual campaign statement for any reporting period in which the committee made campaign contributions. The first semi-annual campaign statement covers the reporting period January 1 to June 30, and must be filed by July 31. The second semi-annual campaign statement covers the reporting period July 1 to December 31, and must be filed by January 31 of the following year.

SUMMARY OF THE FACTS

Respondent is, and was at all times relevant to this matter, Chairman of the Board of Commissioners for the Saratoga Fire Protection District. Respondent has been a Commissioner for the Fire District for 26 years. Respondent is also a real estate broker and owner of Egan and Company, located in the City of Saratoga.

In 2000, Respondent was actively involved in the Committee for Yes on Measure F, a ballot measure committee primarily formed to support Proposition F. Proposition F was a bond measure placed on the ballot by the Saratoga Fire Protection District in the April 11, 2000 special election in the City of Saratoga.

COUNT 1

Failure to File a Semi-Annual Campaign Statement

While Respondent did not have an official title, he functioned as the co-chair for the Committee for Yes on Measure F. His duties included signatory authority over the committee’s bank account, review of all budgetary items and expenditures relating to the committee, and approval of the contents of mailers. He also made loans to the committee to pay for the committee’s campaign activities.

During the first semi-annual reporting period of 2000, Respondent made \$27,801 in political contributions and thereby qualified under section 82013, subdivision (c) of the Act, as a major donor committee. On March 10, 2000, Respondent loaned the Committee for Yes on Measure F \$2,800 for advertising expenses. On June 7, 2000, Respondent took out a personal line of credit and loaned the Committee for Yes on Measure F an additional \$25,001 to pay off some of its debts.

As a major donor committee, Respondent had a duty to file a semi-annual campaign statement, covering the reporting period January 1, 2000 through June 30, 2000, by July 31, 2000. Respondent failed to file the semi-annual campaign statement by the July 31, 2000 due date. By failing to file a semi-annual campaign statement by the filing due date, Respondent violated section 84200, subdivision (a).

As a condition of this stipulation, Respondent was required to file a semi-annual campaign statement covering the reporting period January 1, 2000 through June 30, 2000.

CONCLUSION

This matter consists of one count of violating the Political Reform Act, which carries a maximum administrative penalty of \$2,000 per violation.²

A single count of failing to file a major donor statement, if handled through the Enforcement Division's Streamlined Major Donor Program, would ordinarily result in a \$400 - \$800 penalty. However, this matter was excluded from the streamlined program due to the fact that no early resolution of the matter was obtained and that it was part of a larger investigation. The typical stipulated administrative penalty for the non-filing of a semi-annual statement not resolved through a streamlined program has historically been determined on a case-by-case basis and has ranged from \$500 - \$1,500 per statement, for a violation occurring before January 1, 2001.

In this case, Respondent's violation is somewhat aggravated, as the undisclosed contributions were substantial and the contributions were not disclosed by the recipient committee until eight months after the election. Respondent is a long-time public official, having been elected to six terms of office. Respondent's violation is mitigated by the fact that he cooperated with the investigation and was a first-time major donor filer. Therefore, imposition of an administrative penalty at the middle of the settlement range is appropriate.

Accordingly, the facts of this case justify imposition of the agreed upon penalty of One Thousand Two Hundred Dollars (\$1,200).

² Prior to January 1, 2001, section 83116 provided that violations of the Act were punishable by an administrative penalty of up to \$2,000.